



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 2/6/2004, by Kimberly A. Lightford

**SYNOPSIS AS INTRODUCED:**

New Act

Creates the Loan Assumption for Teachers Act. Provides that a person who is enrolled in a postsecondary education institution is eligible to enter into an agreement for loan assumption upon becoming employed as a teacher if he or she is judged to have outstanding ability and agrees to teach full time in a public school in this State for at least 4 consecutive school years after obtaining a teaching certificate (i) in a subject area that is designated as a current or projected shortage area by the State Superintendent of Education or (ii) at a school that at the time that the teacher is hired serves a large population of pupils from low-income families or is a low-performing school. Effective immediately.

LRB093 21122 NHT 47176 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Loan  
5 Assumption for Teachers Act.

6 Section 5. Legislative findings, declarations, and intent.

7 (a) The General Assembly finds and declares all of the  
8 following:

9 (1) There is a growing shortage of high-quality  
10 classroom teachers, and there is a need for qualified  
11 teachers throughout this State.

12 (2) One of the most important elements in a pupil's  
13 success at learning is the quality of the teacher.

14 (3) The teacher shortage is most serious in particular  
15 subject areas, partly due to the shortage of students in  
16 these fields who enter the teaching profession.

17 (4) Many school districts have difficulty recruiting  
18 and retaining high-quality teachers for low-performing  
19 schools, for pupils with special needs, and for schools  
20 serving rural areas or large populations of pupils from  
21 low-income and linguistic minority families.

22 (5) The rising costs of higher education, coupled with  
23 a shift in available financial aid from scholarships and  
24 grants to loans, make loan repayment options an important  
25 consideration in a student's decision to pursue a  
26 postsecondary education.

27 (6) The availability of financial aid and loan  
28 repayment assistance are important considerations for many  
29 students, especially economically disadvantaged students,  
30 in making their educational decisions.

31 (b) It is, therefore, the intent of the General Assembly  
32 that all of the following occur:

1           (1) That the loan assumption for teachers program  
2 authorized under this Act be designed to encourage persons  
3 to enter into the teaching profession in designated subject  
4 matter shortage areas and in schools serving large  
5 populations of pupils from low-income families and schools  
6 serving rural areas.

7           (2) That this Act accomplish all of the following:

8           (A) Provide outstanding postsecondary education  
9 students, particularly economically disadvantaged  
10 students, with the assurance of financial assistance  
11 to encourage them to complete postsecondary education  
12 programs leading to teacher certification and to seek  
13 employment as teachers.

14           (B) Provide persons who agree to become teachers in  
15 a subject matter shortage area with the assurance of  
16 financial assistance to encourage them to complete the  
17 coursework necessary to obtain a teaching certificate.

18           (C) Identify subject matter areas or schools in  
19 which there are shortages of teachers and provide  
20 incentives for persons to obtain teacher certification  
21 and seek teaching positions in those areas.

22           (D) Identify schools serving rural areas and  
23 schools serving large populations of students from  
24 low-income families and provide incentives for persons  
25 to obtain teacher certification and seek teaching  
26 positions in those schools.

27           (E) Identify low-performing schools and provide  
28 incentives for persons to obtain teacher certification  
29 and seek teaching positions in those schools.

30           (3) That commencing with the 2005-2006 school year, all  
31 persons eligible to enter into agreements for loan  
32 assumption pursuant to this Act shall be persons who need  
33 to complete training or coursework in order to be certified  
34 as a teacher and who agree to obtain a teaching certificate  
35 and teach in a designated subject matter shortage area or  
36 in a school that, at the time that the teacher is hired,

1 meets any of the following criteria:

2 (A) Serves a large population of pupils from  
3 low-income families.

4 (B) Is a low-performing school.

5 (4) That funding necessary for the administration of  
6 this Act shall be included within the annual budget of the  
7 Commission in an amount necessary to meet the student loan  
8 obligations incurred by the Commission.

9 Section 10. Definitions. In this Act:

10 "Commission" means the Illinois Student Assistance  
11 Commission.

12 "Eligible institution" means a postsecondary education  
13 institution in this State that is determined by the Commission  
14 to meet all of the following requirements:

15 (1) The institution is eligible to participate in State  
16 and federal financial aid programs.

17 (2) The institution is a recognized teacher training  
18 institution, as defined in Section 21-21 of the School  
19 Code, operating a program of preparation for teacher  
20 certification.

21 "Low-performing school" means a school on the State Board  
22 of Education's academic watch list under Section 2-3.25d of the  
23 School Code at the time that the teacher is hired.

24 Section 15. Eligibility for loan assumption.

25 (a) Any person enrolled in an eligible institution is  
26 eligible to enter into an agreement for loan assumption, to be  
27 redeemed pursuant to Section 25 of this Act upon becoming  
28 employed as a teacher, if he or she meets the requirements set  
29 forth in this Section. In order to be eligible to enter into an  
30 agreement for loan assumption, an applicant must satisfy all of  
31 the following conditions:

32 (1) The applicant (i) has completed at least 60  
33 semester units or the equivalent at a postsecondary  
34 education institution and (ii) is enrolled in an academic

1 program leading to a baccalaureate degree at an eligible  
2 institution or has been admitted to a program of  
3 preparation for teacher certification at an eligible  
4 institution.

5 (2) The applicant is enrolled or has been admitted to a  
6 program in which he or she will be enrolled on at least a  
7 half-time basis, as determined by the participating  
8 eligible institution. The applicant shall agree to  
9 maintain satisfactory academic progress and a minimum of  
10 half-time enrollment, as defined by the participating  
11 eligible institution.

12 (3) The applicant has been judged by his or her  
13 eligible institution to have outstanding ability on the  
14 basis of criteria that may include without limitation any  
15 of the following:

- 16 (A) Grade point average.
- 17 (B) Test scores.
- 18 (C) Faculty evaluations.
- 19 (D) Interviews.
- 20 (E) Other recommendations.

21 (4) The applicant has received or is approved to  
22 receive a loan under one or more of the following  
23 designated loan programs:

- 24 (A) The Federal Family Education Loan Program (20  
25 U.S.C. 1071 and following).
- 26 (B) Any loan program approved by the Commission.

27 (5) The applicant has agreed to teach full time in a  
28 public elementary or secondary school in this State for at  
29 least 4 consecutive school years after obtaining a teaching  
30 certificate (i) in a subject area that is designated as a  
31 current or projected shortage area by the State  
32 Superintendent of Education or (ii) at a school that, at  
33 the time that the teacher is hired, meets any of the  
34 following criteria:

- 35 (A) It serves a large population of pupils from  
36 low-income families, as designated by the State

1 Superintendent of Education.

2 (B) It is a low-performing school.

3 (b) An applicant who has completed fewer than 60 semester  
4 units or the equivalent at a postsecondary education  
5 institution is not eligible under this Section to participate  
6 in the loan assumption program set forth in this Act.

7 (c) The agreements entered into each year pursuant to  
8 subsection (a) of this Section at each eligible institution or  
9 participating school district or regional office of education  
10 must be with applicants who meet the criteria specified in  
11 paragraph (3) of subsection (b) of Section 5 of this Act or  
12 agree to teach in any of the subject areas listed pursuant to  
13 Section 5 of this Act. An agreement shall remain valid even if  
14 the subject area under which an applicant becomes eligible to  
15 enter into an agreement ceases to be a designated shortage  
16 field by the time the applicant becomes a teacher.

17 (d) A person participating in the loan assumption program  
18 pursuant to this Section shall not enter into more than one  
19 agreement.

20 Section 20. Lists furnished by State Superintendent. The  
21 State Superintendent of Education shall furnish the Commission  
22 with all of the following:

23 (1) Commencing January 1, 2006 and every January 1  
24 thereafter, a list of teaching fields that have the most  
25 critical shortage of teachers. The State Superintendent of  
26 Education shall review this list annually and revise the  
27 list as he or she deems necessary.

28 (2) A list of schools that serve a large population of  
29 pupils from low-income families, as designated for  
30 purposes of the Perkins Loan Program or according to  
31 standards the State Superintendent of Education deems  
32 appropriate.

33 (3) Commencing January 1, 2006 and every January 1  
34 thereafter, a list of schools serving rural areas. The list  
35 shall be established according to standards deemed

1 appropriate by the State Superintendent of Education.

2 (4) Commencing January 1, 2006 and every January 1  
3 thereafter, a list of low-performing schools.

4 Section 25. When payments commence. The Commission shall  
5 commence loan assumption payments, as specified in Section 30  
6 of this Act, upon verification that the applicant has fulfilled  
7 all of the following:

8 (1) The applicant has received a teaching certificate.

9 (2) The applicant has provided full-time classroom  
10 instruction in a public elementary or secondary school in  
11 this State for the equivalent of one school year.

12 (3) The applicant has met the requirements of the loan  
13 assumption agreement and all other pertinent conditions of  
14 this Act.

15 Section 30. Terms of loan assumption. The terms of a loan  
16 assumption granted under this Act shall be as follows, subject  
17 to the specific terms of each loan assumption agreement:

18 (1) After a program participant has completed one  
19 school year of full-time classroom instruction in a public  
20 elementary or secondary school in this State, the  
21 Commission shall assume up to \$2,000 of the participant's  
22 outstanding liability under one or more of the designated  
23 loan programs.

24 (2) After a program participant has completed 2  
25 consecutive school years of full-time classroom  
26 instruction in a public elementary or secondary school in  
27 this State, the Commission shall assume up to an additional  
28 \$3,000 of the participant's outstanding liability under  
29 one or more of the designated loan programs, for a total  
30 loan assumption of up to \$5,000.

31 (3) After a program participant has completed 3  
32 consecutive school years of full-time classroom  
33 instruction in a public elementary or secondary school in  
34 this State, the Commission shall assume up to a maximum of

1 an additional \$3,000 of the participant's outstanding  
2 liability under one or more of the designated loan  
3 programs, for a total loan assumption of up to \$8,000.

4 (4) After a program participant has completed 4  
5 consecutive school years of full-time classroom  
6 instruction in a public elementary or secondary school in  
7 this State, the Commission shall assume up to a maximum of  
8 an additional \$3,000 of the participant's outstanding  
9 liability under one or more of the designated loan  
10 programs, for a total loan assumption of up to \$11,000.

11 Section 35. Out-of-state teachers. Notwithstanding  
12 paragraph (3) of subsection (b) of Section 5 of this Act and  
13 notwithstanding Section 45 of this Act, for the purpose of the  
14 recruitment of teachers from outside this State, the Commission  
15 may make loan assumption agreements with out-of-state teachers  
16 who fulfill the terms of Section 30 of this Act and are  
17 otherwise eligible to enter into agreements. A teacher who  
18 enters into an agreement pursuant to this Section shall hold a  
19 valid teaching certificate, in the subject area of the Illinois  
20 teaching position, from the state in which he or she resides.

21 Section 40. Other loan assumption benefits. In addition to  
22 the amounts set forth in Section 30 of this Act, for each of  
23 the 4 school years of classroom instruction referenced in  
24 Section 30 of this Act, the following loan assumption benefits  
25 shall be granted:

26 (1) \$1,000 of additional liability per year shall be  
27 assumed for a person who holds a certificate appropriate  
28 for teaching and who teaches mathematics, science, or  
29 special education.

30 (2) \$1,000 of additional liability per year shall be  
31 assumed for a person who teaches in a school in the lowest  
32 20th percentile of low-performing schools. Eligibility for  
33 the benefit set forth in this paragraph (2) shall be  
34 limited to a person who holds a certificate appropriate for

1 teaching and who teaches mathematics, science, or special  
2 education.

3 (3) Not more than a total of \$5,000,000 shall be  
4 expended in any school year for the purposes of this  
5 Section.

6 Section 45. Distribution of program information. The  
7 Commission shall distribute loan assumption program  
8 information and student applications to participate in the loan  
9 assumption program authorized under this Act to each eligible  
10 institution and to each school district and regional office of  
11 education. Each eligible institution shall receive at least one  
12 application, and the remainder shall be distributed to eligible  
13 institutions proportionate to the number of teaching  
14 candidates from each institution who completed the coursework  
15 required for a teaching certificate during the previous year.  
16 In addition, the Commission shall examine its outreach and  
17 marketing strategies to inform both potential undergraduates  
18 and persons employed outside of academia about the availability  
19 and benefits of the loan assumption program. To this end, the  
20 Commission shall enlist the advice and support of the public  
21 universities in this State.

22 Section 50. Institutional agreement. Each eligible  
23 institution, school district, and regional office of education  
24 shall sign an institutional agreement with the Commission,  
25 certifying its intent to administer the loan assumption program  
26 authorized under this Act according to all applicable published  
27 rules and guidelines and to make special efforts to notify  
28 persons regarding the availability of the program,  
29 particularly economically disadvantaged students at eligible  
30 institutions.

31 Section 55. Coordination with other programs. To the extent  
32 feasible, each eligible institution shall coordinate the loan  
33 assumption program authorized under this Act with other

1 programs designed to recruit students to enter the teaching  
2 profession.

3 Section 60. Administration; rules.

4 (a) The Commission shall administer this Act and shall  
5 adopt rules for that purpose. The rules shall include without  
6 limitation provisions regarding the period of time during which  
7 an agreement shall remain valid, the reallocation of resources  
8 in light of agreements that are not utilized by program  
9 participants, the failure, for any reason, of a program  
10 participant to complete a minimum of 4 consecutive school years  
11 of classroom instruction, and the development of projections  
12 for funding purposes.

13 (b) The Commission shall solicit the advice of  
14 representatives from postsecondary education institutions, the  
15 State Board of Education, the State Teacher Certification  
16 Board, school districts, and regional offices of education  
17 regarding proposed rules.

18 Section 65. Annual report. The Commission shall report  
19 annually to the General Assembly regarding all of the  
20 following, on the basis of sex, age, and ethnicity:

21 (1) The total number of loan assumption program  
22 participants.

23 (2) The number of loan assumption agreements entered  
24 into with juniors and seniors at eligible institutions.

25 (3) The number of participants who agree to teach in a  
26 subject matter shortage area.

27 (4) The number of participants who agree to teach in  
28 schools with a high ratio of pupils from low-income  
29 families and in low-performing schools.

30 (5) The number of participants who agree to teach in  
31 schools serving rural areas.

32 (6) The number of participants who receive a loan  
33 assumption benefit, classified by payment year.

34 (7) The number of out-of-state teachers who enter into

1 the agreements.

2 Section 70. Limits on loan assumption; priorities.

3 (a) For the 2005-2006 school year, the Commission shall  
4 issue warrants for the assumption of up to 5,500 student loans  
5 for program participants eligible under this Act.

6 (b) Commencing with the 2006-2007 school year and each  
7 school year thereafter, all of the following apply:

8 (1) The Commission shall enter into agreements for the  
9 assumption of up to 6,500 student loans for program  
10 participants eligible under this Act.

11 (2) Notwithstanding the limitation of 6,500 warrants  
12 set forth in paragraph (1) of this subsection (b), the  
13 Commission shall issue warrants in a quantity determined by  
14 the Governor and the General Assembly through  
15 appropriations for the assumption of student loans under  
16 this Act.

17 (3) Priority for these loan assumption agreements  
18 shall be given to applicants who are recipients of  
19 federally subsidized loans or other need-based loans, as  
20 determined by the Commission.

21 (4) Priority for these loan assumption agreements  
22 shall be given to applicants who agree to obtain a teaching  
23 certificate to teach in mathematics or science.

24 (c) The issuance of warrants under this Act in any fiscal  
25 year shall be subject to appropriation.

26 Section 999. Effective date. This Act takes effect upon  
27 becoming law.